

**LOCAL GROUP AND CLUSTER**

**BUDGET AND BOOKKEEPING GUIDELINES**  
**(Cash Basis)**

**FISCAL YEAR 2000**  
**(October 1, 1999 – September 30, 2000)**

**Amnesty International USA, Inc.**

**AMNESTY INTERNATIONAL USA**  
**LOCAL GROUP & CLUSTER BUDGETING AND BOOKKEEPING**  
**GUIDELINES**

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FORMS

## BASIC BUDGETING FOR LOCAL GROUPS

### (A Treasurer's Guide)

A grass roots human rights movement's activism requires some money. For example, to send a 4-page group newsletter to 1000 people twelve times a year costs approximately \$684 (\$48 for paper + \$240 for copying + \$396 for mailing). The amount of money a group needs depends on its programmatic goals.

**“Money should not drive the program, program should drive the money.”** This means that your financial goals should be based upon the programmatic goals set by the group. In order to calculate how much you need, first identify what you want to do with that money. Many local groups already make program plans – now we are asking you to formally combine those plans with basic financial plans.

### THE BUDGETING PROCESS

#### Anticipating Expenses

A programmatic planning process should coincide with the budgeting process. Once you identify your programmatic goals it is easier to calculate how much it will cost to fulfill those goals. Programmatic goals include any events you are planning, mailing newsletters and other outreach/awareness tools, as well as your pledge to AIUSA.

Each programmatic goal should then be broken down into individual expense components. A monthly newsletter, for example, will have a certain amount of costs each month, including: printing, postage, paper, supplies, etc. Each cost item should be calculated by the quantity used and the cost per item. The total cost of the newsletter should be then entered on the pledge sheet (which could also serve as the summary of the group's detailed budget). Groups should also allow for a small contingency amount to provide needed flexibility, especially in the first year of preparing a budget. For example, AIUSA uses a 1.5% contingency, but smaller budgets could use as much as 5%-10%.

#### Projecting Income for the Year

Once you have calculated how much it will cost you to meet your programmatic goals, you should prepare an income projection. Projecting income is more difficult than projecting expenses unless you set a fundraising plan. **A fundraising plan** outlines the different areas from which income will be generated, the amount that will be raised and how that will be accomplished. This doesn't have to be anything fancy, but should detail the results of group brainstorming about how to raise money.

Each group and the community the group is in are different. Therefore the characteristics of each groups' fundraising plan will be different. After your brainstorming session and when you have developed your fundraising plan you will need to develop income projections.

## **Income Budget Preparation**

An income budget is prepared similarly to the expense budget, breaking each fundraising item down to the smallest possible component. For example, local group membership dues can be calculated as:

Dues per person	\$ 20
x # of dues paying members	15
	-----
= Total Group Dues Income	\$300
	=====

Ideas can be built into the annual income budget if there is a probable chance that the net income will be realized. It may not be possible to develop any detail about these ideas other than to say we can probably make \$300 from a fundraiser if we hold one in the mall.” If you have any experience in holding a particular type of event it will be easier to project the income. Just because you don’t know how much an event will raise, doesn’t mean you can’t build it into your income projections, but be sure you are realistic rather than overly optimistic.

## **Flexible Budgeting**

Budgeting is not something you do once a year and ignore thereafter. A good budget is one that is referred to throughout the year and is flexible enough to allow for unforeseen opportunities and expenses. A budget is always easier to do the second time around and becomes more accurate as you get experience with projecting income and expenses. Computer spreadsheets make a big difference in preparing a budget. Members who have access to and experience with MICROSOFT Excel or other spreadsheet programs can be particularly helpful in the budget process.

## **Budget Evaluation**

One of the most important and most overlooked parts of the planning process is the evaluation of the previous year’s plan. At the end of the year the programmatic and financial goals should be compared to the actual results. The actual results should be recorded on the Internal Financial Report. This is critical before you start the planning process for the next year. In September, when a new fiscal year begins, or now when you are completing the pledge, the planning process should start with an evaluation of the results of the previous year. These accomplishments will help measure how realistic the previous planning process was.

## INSTRUCTIONS FOR SIMPLE BOOKKEEPING

This section provides the basics of a simple bookkeeping system. The logs are meant to help groups prepare simple statements of their actual financial activity for the fiscal year (October 1<sup>st</sup> – September 30<sup>th</sup>). This system should be used to record the activity in the group's bank account. The groups should decide how often the logs should be updated and a summary report can be prepared at any point simply by listing the totals of each column.

The frequency in which a summary report is prepared depends on how much activity the group's account has and the group's desire to get financial updates. Verbal reports should be made monthly at each meeting, writing summaries as often as needed, but we recommend at least once a quarter.

The summary report can be prepared on a copy of the group Internal Financial Report provided. This follows the format of the pledge form. It is a simple listing of the column totals of each income and expense logs. At the end of the year an annual summary simply adds up any interim reports prepared (i.e., quarterly). This annual summary should be prepared on a fiscal year basis (October-September) and should be compared to the pledge form to provide a "*budget versus reality*" comparison.

Copy the blank original forms and use the copies. The forms have been designed so they can be put into a three-ring binder, but any folder will do as long as they are in a safe place. **Please remember that these are the official records of your local group, which is a tax-exempt entity.** The IRS requires that these records be kept for seven years and they should be stored together with all supporting receipts and invoices.

### **GROUP INCOME LOG – SOURCES OF FUNDS** (Exhibit A)

As the title suggests, this log should be used to record the group's sources of funds. Income is recorded when received, not when pledged or promised. These instructions are numbered to correlate to the example provided:

- (1) Complete the group number, name of the person completing the form, month and page number(s).
- (2) Enter the date the money was received.
- (3) Briefly describe where the money came from. If more space is needed, attach a separate piece of paper and refer to that page in this space.
- (4) Enter the total amounts received in this column.
- (5) Enter the amount received under the column describing the type of income. Amounts are entered in two places – the total column and the type of income column (5) in order to ensure that at the bottom, the columns all add across to the total. Fill in blank headings to meet your group's particular needs. Use "Other" for small miscellaneous income.
- (6) If more than one page is required, enter the **previous page's totals on this line.** This will make the preparation of summary statements easy as the running totals will always be on the bottom of each page.

- (7) Enter the page totals. If your group desires a financial report at the end of each month, the monthly totals should NOT be carried forward. This will distort the next month's figures. A

written summary should be consistently prepared, monthly, quarterly or annually, based on the volume of activity and how often the group would like the information. Once this pattern has been established, the totals for each period should be written on the last line of the last page, as show in (7) not carried forward to the next period. To get a cumulative summary, simply add the totals for each period.

### **GROUP EXPENSE LOG – USES OF FUNDS** (Exhibit B)

- (1) Complete the group number, month, and name of person completing the form and the page number(s).
- (2) Enter the date the expense was paid.
- (3) Briefly describe what the money was used for. If more space is needed, attach a separate piece of paper and refer to that page in this space.
- (4) Enter the total of the amounts paid on this line. If there are multiple expenses relating to one description (phone, postage, supplies), they can be entered on the same line (i.e., write-a-thon), but enter the total here.
- (5) Enter the amount of each particular expense. Amounts are entered in two places – the total column and the specific expense column in order to ensure that at the bottom of the page the columns all add across to the grand total. If these are multiple expenses (phone, postage, supplies) for one transaction (i.e., repay Tony for write-a-thon expenses), you can enter the whole transaction on one line and put the individual amount under the appropriate column heading. Fill in blank headings to meet your group's particular needs. Use "Other" for sundry, miscellaneous items.
- (6) If more than one page is required, enter the **previous page's totals on this line**. This will make the preparation of summary statements easy as the running totals will always be on the bottom of each page.
- (7) Enter the page totals. If your group prepares a summary statement at the end of each month, the monthly totals should not be carried forward. This will distort the next month's figures. A written summary should be consistently prepared, monthly, quarterly or annually, based on the volume of activity and how often the group would like the information. Once this pattern has been established, the totals for each period should be written on the last line of the last page as shown in (7) and not carried forward to the next period.
- (8) **Use the Internal Financial Report** to maintain records of your income and expenses. It can be completed monthly, quarterly or annually depending on how often your group requests financial updates. This form is only for the use of your group/cluster and is not to be submitted to the Regional Office. The information on the form should be the **actual** financial activity for the previous year and should facilitate completion of the Pledge Form for the subsequent fiscal year projections. To complete the Internal Financial Report the income should exceed expenses. These results should be compared to the amounts set forth on the Pledge Form for the previous year in order to see how accurate the Pledge Form projections were for that year. This will assist you in projecting estimates on this year's Pledge Form.

**AIUSA LOCAL GROUP/CLUSTER INTERNAL FINANCIAL REPORT**

For \_\_\_\_\_ (month) period ending \_\_\_\_\_ (i.e., quarter)

Group # \_\_\_\_\_, City \_\_\_\_\_

Employer Identification # (EIN) \_\_\_\_\_ (if any)  
See (page 3 for information)

This schedule can be used by local groups to summarize their financial activity of the past and current fiscal year. It is here to help your group in planning and should not be submitted to the Regional Office. This should be easy to complete if your group uses the income and expense logs, as the totals for each income and expense category can be found as totals at the bottom of each column of the log. See Local Group Guidelines for more information.

**A. Enter group's sources of ALL income:**

- 1. Membership dues/fees \$ \_\_\_\_\_
- 2. Fundraising events (e.g., concert, bake sale) \$ \_\_\_\_\_
- \_\_\_\_\_ \$ \_\_\_\_\_
- \_\_\_\_\_ \$ \_\_\_\_\_
- 3. Gifts & Contributions \$ \_\_\_\_\_
- 4. Advance from AIUSA (i.e., SIF) \$ \_\_\_\_\_
- 5. Sale of AI merchandise \$ \_\_\_\_\_
- 6. Literature sales \$ \_\_\_\_\_
- 7. Miscellaneous Income \$ \_\_\_\_\_
  
- 8. TOTAL INCOME \$ \_\_\_\_\_

**B. Enter group expenses:**

- 1. Mailings/postage \$ \_\_\_\_\_
- 2. Copying \$ \_\_\_\_\_
- 3. Newsletter \$ \_\_\_\_\_
- 4. Publicity \$ \_\_\_\_\_
- 5. Lobbying (e.g., sponsoring, rally, testimony) \$ \_\_\_\_\_
- 6. Telephone \$ \_\_\_\_\_
- 7. Group Pledge to AIUSA \$ \_\_\_\_\_
- 8. Member travel and regional and annual meetings \$ \_\_\_\_\_
- 9. Prisoner relief \$ \_\_\_\_\_
- 10. Telephone book listing \$ \_\_\_\_\_
- 11. Other expenses: \_\_\_\_\_ \$ \_\_\_\_\_
- \_\_\_\_\_ \$ \_\_\_\_\_
- \_\_\_\_\_ \$ \_\_\_\_\_

(On the bottom of this page, list the dollar amounts of the five largest donations to the Group in FY 1999. This is needed to ensure that local groups are getting a broad base of public support.)

12. TOTAL EXPENSES: \$ \_\_\_\_\_

C. NET SUPPLUS/(DEFICIT) (A8-B12=C) \$ \_\_\_\_\_

The five largest donations from individuals or organizations to the group/cluster in fiscal year 1999 were:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

**AIUSA LOCAL GROUP/CLUSTER INTERNAL FINANCIAL REPORT**

For March (month) period ending 1st Q. (i.e., quarter)

Group # 303, City Los Angeles

Employer Identification # (EIN) 82-543-2956 (if any)  
See (page 3 for information)

This schedule can be used by local groups to summarize their financial activity of the past and current fiscal year. It is here to help your group in planning and should not be submitted to the Regional Office. This should be easy to complete if your group uses the income and expense logs, as the totals for each income and expense category can be found as totals at the bottom of each column of the log. See Local Group Guidelines for more information.

A. Enter group's sources of ALL income:

1. Membership dues/fees	\$ <u>75</u>
2. Fundraising events (e.g., concert, bake sale)	\$ <u>100</u>
_____	\$ <u>300</u>
_____	\$ _____
3. Gifts & Contributions	\$ <u>75</u>
4. Advance from AIUSA (i.e., SIF)	\$ _____
5. Sale of AI merchandise	\$ _____
6. Literature sales	\$ <u>50</u>
7. Miscellaneous Income	\$ <u>25</u>
8. TOTAL INCOME	\$ <u>625</u>

B. Enter group expenses:

1. Mailings/postage	\$ <u>50</u>
2. Copying	\$ <u>35</u>
3. Newsletter	\$ _____
4. Publicity	\$ _____
5. Lobbying (e.g., sponsoring, rally, testimony)	\$ _____
6. Telephone	\$ <u>25</u>
7. Group Pledge to AIUSA	\$ <u>250</u>
8. Member travel and regional and annual meetings	\$ _____
9. Prisoner relief	\$ _____
10. Telephone book listing	\$ _____
11. Other expenses: _____	\$ _____
_____	\$ _____
_____	\$ _____

(On the bottom of this page, list the dollar amounts of the five largest donations to the Group in FY 1999. This is needed to ensure that local groups are getting a broad base of public support.)

12. TOTAL EXPENSES: \$ 360

C. NET SUPLUS/(DEFICIT) (A8-B12=C) \$ 265

The five largest donations from individuals or organizations to the group/cluster in fiscal year 1999 were:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Prepared by: Juanita Dough Date: 3/31/99





**Exhibit B**

**Honesty International USA, Inc.  
Expense Log -- Uses of Funds**

Group: 543

Month: April '99

Prepared By: Steve King

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Date	Description	Total	Post- age	Copy- ing	News- letter	Publi- city	Phone	Travel	Relief	<i>Supplies</i>			Other
4/12	Previous Page Totals	123.45	17.89	23.26	56.87			20.00					5.43
4/13	Ivan Morris Fund	50.00							50.00				
4/19	Write-A-Thon	81.60	36.00	4.60		15.00				16.00			10.00
4/26	Bookkeeping Stuff	6.60		4.00						2.60			
4/30	Syrian Petitions	26.50	22.50	4.00									
<b>7</b>	<i>April XXX Total</i>	288.15	76.39	35.86	56.87	15.00	0.00	20.00	50.00	18.60	0.00	0.00	15.43





**Amnesty International USA, Inc.  
Expense Log -- Uses of Funds**

Group: \_\_\_\_\_ Month: \_\_\_\_\_

Prepared By: \_\_\_\_\_ Page \_\_\_\_\_ of \_\_\_\_\_

Date	Description	Total	Post- age	Copy- ing	News- letter	Publi- city	Phone	Travel	Relief				Other
	<b>Page Total</b>												